

Please substitute the following amended paragraph for the pending paragraph beginning on page 10, line 13. A marked up copy of the amended paragraph is included at the end of Applicants' response.

R²

-- The cutter blade 42 is then adapted to return to its retracted position 42a in order to allow the rotary drum 26 to rotate counter-clockwise. In doing so, the cut paper 18 is pushed out of its original path and onto the path of the stripper/in-feed guide 52 as shown in Figure 4B. As such, the stripper/in-feed guide 52 is configured to cause the cut paper 18 to exit along a paper exit path 54 onto a post-print treatment station 56 (shown in Figure 4B) such as a paper tray, a dryer section or a laminator, for example. The rotary drum 26 is then returned to the paper feed position via rotation in order to proceed with the next cycle of image printing. --

IN THE CLAIMS:

Cancel claims 35, 36, 37 and 39.

Please amend the following claims:

- R³
Sub
B, 1
1. (Amended) A printer system for producing variable sized printed receiver media comprising:
- a receiver media handling system for an inkjet printer having an internal receiver media supply roll, the handling system including a rotary drum having a tube-shaped outer surface with a plurality of cutter notches predisposed at predetermined circumferentially spaced locations along the periphery of the drum and the tube shaped outer surface surrounding the media supply roll, the handling system also including a receiver media feeder for drawing receiver media from said media supply roll and along said outer surface;
 - an inkjet printhead for printing images within an image area on said receiver media from the supply roll;
 - a cutting blade adapted to cooperate with said cutter notches for cutting receiver media at any one of said cutter notches in accordance with a selected one of plural different sizes of receiver media to be formed as a printed cut sheet; and